

## Rural Development

### Rural Housing Service

## Housing Programs

*The Rural Housing Service (RHS) of USDA Rural Development works to improve the quality of life for rural Americans by ensuring that they have access to safe, well-built, affordable homes. A house is more than a roof over our heads; it is often the cornerstone upon which rests our ability to live near good jobs and to gain access to good schools and other public services. Homeownership builds economic stability and, over the long term, creates equity to finance education, business startups and retirement. People with equity in their homes not only take greater pride in them, they also become more involved in their communities. RHS thus not only helps rural people acquire homes, it helps build better lives and communities.*

The direct and indirect impacts of housing development and rehabilitation reverberate throughout the nation. Residential construction and rehabilitation stimulate various manufacturing and trade industries and related professional services. Housing activity also benefits the larger economy as wages are earned and spent by those directly involved in housing development. RHS has played a significant role in the National Partnership for Homeownership to help more women and minorities achieve their homeownership goals.

### Home Ownership Loans

There are more than 2.5 million substandard housing units in rural America. RHS housing programs help address this challenge by annually financing new or improved housing for over 65,000 low- to moderate-income families annually. Over 2 million families now own their homes as a result of the RHS rural homeownership programs.

RHS offers two types of home ownership loans: guaranteed and direct loans. The purpose is to provide financing — with no downpayment and at favorable rates and terms — either through a direct loan with RHS or with a loan from a private financial institution which is guaranteed by RHS. These loans are for the purchase, construction, rehabilitation, or relocation of a dwelling and related facilities for low- or moderate-income rural persons.

### Self-Help Housing

Self-Help Housing Loans help groups of six to ten low-income families build their own homes by providing materials and the skilled labor they cannot furnish themselves. The families must agree to work together until all homes are finished.

### Rural Rental Housing Loans

Apartment living is often an alternative for people who cannot afford the purchase price and maintenance costs of their own individual house. Rural Rental Housing loans are made to finance building construction and site development of multi-family living quarters for people with low, very low and moderate incomes. Some units are reserved for people aged 62 and over. Loans can be made in this program to construct housing that will be operated in cooperative form, but loan funds may not be used to finance individual units within the project.

### Home Improvement Loans and Grants

Home Improvement and Repair Loans and Grants enable low-income rural homeowners to remove health and safety hazards from their homes and to make homes accessible for people with disabilities. Grants are available for people 62 years old and older who cannot afford to repay a loan.

### Site Loans

Rural Housing Site Loans buy adequate building sites for development of a desirable community by private or public nonprofit organizations.

## ***Farm Labor Housing***

Farm Labor Housing Loans and Grants enable farmers, public or private nonprofit organizations, and units of State and local governments to build, buy, or repair farm labor housing in either dormitory or multifamily apartment style.

## ***Housing Preservation Grants***

These grants help low-income homeowners repair and rehabilitate their homes. Rental property owners can use them to repair and rehabilitate their units if they agree to make such units available to low-income families.

## ***Housing Subsidies***

RHS can help subsidize monthly mortgage and rental payments, limiting these costs to no more than 30 percent of the adjusted monthly income of the applicant.

These subsidies can be used for the direct home ownership, rural rental and farm labor programs described above.

## ***Information and Applications***

Detailed information and applications for financial assistance are available through State and local offices of USDA Rural Development.

Or you may contact the National Office at:

USDA Rural Housing Service

Stop 0780

1400 Independence Avenue, SW

Washington, D.C. 20250-0780

Telephone: (202) 720-5177 (single-family home programs)

(202) 720-3773 (multi-family home programs)

Fax: (202) 690-3025

website: <http://www.rurdev.usda.gov>

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